

**AMENDMENTS TO THE CLAIMS**

**This listing of claims will replace all prior versions and listings of claims in the application:**

**LISTING OF CLAIMS:**

1. (currently amended): A computer-implemented method for facilitating trading, between a buyer and a seller at an exchange, a futures exchange, an options exchange, or a futures and options exchange, the method comprising the steps of:

a. ~~establishing receiving first inputs from the buyer and seller corresponding to a standardized form of contract for trading at a price on which [[ a ]] the buyer and [[ a ]] the seller agree, and the standardized form of contract having contract terms requiring the buyer and seller to settle based on a final settlement price; [[ and ; ]]~~

b. ~~at least prior to a first reference time, facilitating trading of contracts based on said standardized form of contract through an exchange, a futures exchange, an options exchange, or a futures and options exchange; receiving second inputs from the buyer and the seller at or prior to a first reference time wherein the second inputs include bid prices and offer prices for the standardized form of contract;~~

matching the first inputs and the bid prices and the offer prices to form contracts; and

wherein determining said final settlement price is determined as follows:

i. ~~determining receiving a first level of a specified observable quantity (an “underlying”);~~ an underlying as at or around said first reference time, the first reference time determined in accordance with the contract terms, the underlying being a specified observable quantity relating to an item selected from a group consisting of stock, commodity, financial asset, basket of financial assets, financial index and financial contract;

ii. ~~—determining receiving~~ a second level of said underlying at ~~or around~~ a second reference time, the second reference time determined in accordance with the contract terms, ~~that is and being~~ later than said first reference time; and

[[iii. ]] determining, in accordance with the contract terms, the final settlement price by reference to both said first level and said second level, ~~said final settlement price determined as something other than a simple average of the two levels.~~

2. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] zero, if said second level is less than or equal to a strike level; or

[[ii. ]] proportionally to the excess of said second level over said strike level, if said second level is greater than said strike level;

wherein said strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

3. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] zero, if said second level is less than or equal to a strike level; or

[[ii. ]] proportional to the excess of said strike level over said second level, if said second level is greater than said strike level;

wherein said strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

4. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] proportional to the excess of said second level over a call strike level, if said second level is greater than said call strike level;

[[ii. ]] proportional to the excess of a put strike level over said second level, if said second level is less than said put strike level; or

[[iii. ]] zero, if said second level is both less than said call strike level and greater than said put strike level;

wherein said call strike level is said first level subject to a multiplicative ~~and/or~~ or additive adjustment, ~~if any~~, and said put strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

5. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] zero, if said second level is less than or equal to a strike level; or

[[ii. ]] proportional to the square of the excess of said second level over said strike level, if said second level is greater than said strike level;

wherein said strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

6. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] zero, if said second level is greater than or equal to a strike level; or

[[ii. ]] proportional to the square of the excess of said second level over said strike level, if said second level is greater than said strike level;

wherein said strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

7. (currently amended): The method of claim 1, wherein said final settlement price so determined, for a given said first level, is one of:

[[i. ]] proportional to the square of the excess of said second level over a call strike level, if said second level is greater than said call strike level;

[[ii. ]] proportional to the excess of a put strike level over said second level, if said second level is less than said put strike level; or

[[iii. ]] zero, if said second level is both less than said call strike level and greater than said put strike level;

wherein said call strike level is said first level subject to a multiplicative ~~and/or~~ or additive adjustment, ~~if any~~ and said put strike level is said first level subject to a multiplicative factor, and/or additive or a constant adjustment, if any , or no adjustment.

8. (withdrawn): A method for facilitating trading, comprising:  
a. establishing a standardized form of contract for trading at a price on which a buyer and a seller agree, and having terms under which the buyer is granted an option and the seller grants an option; and

b. at least prior to a first reference time, facilitating trading of contracts based on said standardized form of contract through an exchange, a futures exchange, an options exchange, or a futures and options exchange;

c. upon each valid exercise of said option by a buyer, facilitating the settlement associated with such exercise;

wherein said option is substantially either a call option, a put option, a straddle or a strangle over a quantity of a specified asset or other financial instrument, which the buyer may exercise during some specific time period(s), with strike price(s) (each) substantially the price of said specified asset or other financial instrument determined at or around said first reference time subject to a specified constant proportional and/or additive adjustment, if any; and

wherein said quantity is determined in accordance with the terms of the contract.

Claims 9-10. (canceled):

11. (currently amended): ~~A method of trading, comprising~~ The method of claim 1:  
~~trading a contract based on standardized form of contract through an exchange, a futures exchange, an options exchange, or a futures and options exchange, by~~ wherein the trading is performed further utilizing telephone, internet, or a wide area network ~~or otherwise;~~

~~wherein said standardized contract has at least one term as defined in any of claims 1, 9 or 10.~~

12. (currently amended): A computer system for ~~submitting~~ receiving and processing trade order information for trading between a buyer and a seller ~~relating to a standardized~~

contract, said trade order information being entered by a trader, to the computer system being associated with an exchange, a futures exchange, an options exchange, or a futures and options exchange, wherein said standardized contract has at least one term as defined in any of claims 1, 9 or 10, the computer system comprising:

an input interface for receiving inputs of data;

an output interface for providing outputs;

a processor for processing the data and generating the outputs; and

a memory for storing the data and computer programs,

wherein the computer system is adapted to performing a computer-implemented method comprising:

receiving first inputs from the buyer and seller corresponding to a standardized form of contract for trading at a price on which the buyer and the seller agree, the standardized form of contract having contract terms requiring the buyer and seller to settle based on a final settlement price;

receiving second inputs from the buyer and the seller at or prior to a first reference time wherein the second inputs include bid prices and offer prices for the standardized form of contract;

matching the first inputs and the bid prices and the offer prices to form contracts; and

determining said final settlement price as follows:

receiving a first level of an underlying as at said first reference time, the first reference time determined in accordance with the contract terms, the underlying being a specified observable quantity relating to an item selected from a group consisting of stock,

commodity, financial asset, basket of financial assets, financial index and financial contract;

receiving a second level of said underlying at a second reference time, the second reference time determined in accordance with the contract terms and being later than said first reference time; and

determining, in accordance with the contract terms, the final settlement price by reference to both said first level and said second level.

Claims 13-14. (canceled).

15. (currently amended): The method of claim 1, further comprising: A method for settling trades by clearing, through a clearinghouse, the standardized contracts;

~~wherein said standardized contracts have at least one term as defined in any of claims 1, 9 or 10.~~

16. (currently amended): A computer readable medium embodying a set of computer-executable instructions, which, when executed by one or more processors cause the one or more processors to perform a computer-implemented method for submitting trade order information relating to a standardized contract, said trade order information being entered by a trader, trading between a buyer and a seller to an exchange, a futures exchange, an options exchange, or a futures and options exchange;

~~wherein said standardized contract has at least one term as defined in any of claims 1, 9 or 10.~~ wherein the computer-implemented method includes:

receiving first inputs from the buyer and seller corresponding to a standardized form of contract for trading at a price on which the buyer and the seller agree, the standardized form of contract having contract terms requiring the buyer and seller to settle based on a final settlement price;

receiving second inputs from the buyer and the seller at or prior to a first reference time wherein the second inputs include bid prices and offer prices for the standardized form of contract;

matching the first inputs and the bid prices and the offer prices to form contracts; and  
determining said final settlement price as follows:

receiving a first level of an underlying as at said first reference time, the first reference time determined in accordance with the contract terms, the underlying being a specified observable quantity relating to an item selected from a group consisting of stock, commodity, financial asset, basket of financial assets, financial index and financial contract;

receiving a second level of said underlying at a second reference time, the second reference time determined in accordance with the contract terms and being later than said first reference time; and

determining, in accordance with the contract terms, the final settlement price by reference to both said first level and said second level.